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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 5, 2000

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. INS000149

Ex Parte: In re approval of regulatory settlement agreement by and between the Florida Department of Insurance, for and on behalf of the State of Florida and the Bureau of Insurance, among others, and American General Life and Accident Insurance Company

ORDER APPROVING SETTLEMENT AGREEMENT

ON A FORMER DAY came the Bureau of Insurance ("the Bureau"), by counsel, and requested (i) Commission approval and acceptance of a certain multi-state Regulatory Settlement Agreement dated June 21, 2000 ("the Agreement"), a copy of which is attached hereto and made a part hereof, by and between the Florida Department of Insurance, for and on behalf of the State of Florida and the Bureau, among others, and American General Life and Accident Insurance Company, a foreign insurer domiciled in the state of Tennessee and licensed by the Bureau to transact the business of insurance in the Commonwealth of Virginia, and (ii) authority to execute any documents attendant to the

Agreement necessary to evidence the Commission's acceptance of the Agreement;

AND THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds and ORDERS that (i) the Agreement be, and it is hereby, APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance be, and he is hereby, authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

BUREAU OF INSURANCE STATE CORPORATION COMMISSION

AT RICHMOND, JULY 5, 2000

IN THE MATTER OF:

AMERICAN GENERAL LIFE AND
ACCIDENT INSURANCE COMPANY

CONSENT DIRECTIVE

ON A FORMER DAY this matter came on for consideration by the Bureau of Insurance, State Corporation Commission ("the Bureau"); and, upon consideration thereof, the Commissioner of Insurance of the Bureau finds:

1. By unanimous resolution of the National Association of Insurance Commissioners ("NAIC"), dated June 12, 2000, the NAIC resolved to have the Florida Department of Insurance, in consultation with other regulators, act as primary negotiator in negotiations with American General Life and Accident Insurance Company ("AGLA"), seeking a proposed negotiated settlement of issues resulting from claims of racially discriminatory practices by AGLA relating to the sale of industrial life and low value life insurance policies;

2. The aforementioned practices occurred in all fifty states and the District of Columbia. AGLA is licensed to transact the business of insurance in the Commonwealth of

Virginia. The Bureau has jurisdiction over the subject matter of this proceeding and AGLA;

3. In accordance with the aforesaid NAIC resolution, a proposed settlement has been presented to the Bureau, the terms of which are set forth in the Regulatory Settlement Agreement dated June 21, 2000, which has been executed by AGLA and the Florida Department of Insurance, in its capacity as primary negotiator, and which is attached hereto as "Exhibit A"; and

4. The proposed Regulatory Settlement Agreement is a fair and proper disposition of the matters addressed therein.

THEREFORE, IT IS DIRECTED that the Regulatory Settlement Agreement dated June 21, 2000 and attached hereto as "Exhibit A" be, and it is hereby, approved, adopted and fully incorporated herein by reference. AGLA shall immediately initiate compliance with all terms and conditions of the Regulatory Settlement Agreement as incorporated herein, including payment to the Commonwealth of Virginia of the allocated sanction in the amount of \$1,143,100 (one million one hundred and forty-three thousand one hundred and no one hundredths dollars). All terms and conditions of the Regulatory Settlement Agreement be, and they are hereby, further directed.

A COPY hereof shall be filed with the Clerk of the Commission and thereby placed in Case No. INS000149.

Alfred W. Gross,
Commissioner of Insurance,
Bureau of Insurance,
State Corporation Commission